

UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF NORTH CAROLINA  
RALEIGH DIVISION

IN RE:

CASE NO:

BAXLEY CORPORATION, LLC

22-00397-5-DMW

DEBTOR

CHAPTER 7

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James B. Angell, Chapter 7 Trustee for	)	
Baxley Corporation, LLC,	)	
	)	
	)	Adv. Pro. No. _____
Plaintiff	)	
	)	
vs.	)	
	)	
Baxley Leasing, LLC, and Martha	)	
Virginia Baxley,	)	
Defendants	)	

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AFFIDAVIT OF ROBERT NORDLANDER

The Affiant, being first duly sworn, avers and says:

1. I am over eighteen (18) years of age and am competent to testify regarding the matters stated in this Affidavit, based upon personal knowledge except where otherwise indicated.
2. I am a certified public accountant duly licensed in the State of North Carolina and am a Certified Fraud Examiner. I have concentrated my practice in the field of forensic accounting, for one year in private practice and before that twenty years as a special agent for the IRS, conducting criminal investigations involving tax crimes and money laundering violations, both domestically and internationally.
3. My business, Nordlander CPA, PLLC, was hired in this bankruptcy and the personal bankruptcy of Brandon Baxley to conduct forensic services. In the course of these services, I conducted forensic reviews of Baxley Corporation, LLC and Baxley


Leasing, LLC. In addition, I reviewed some records relating to Brandon Baxley and Martha Baxley.

4. As a result of my involvement in the Brandon Baxley personal bankruptcy, I have extensive knowledge of the financial history and status of Brandon Baxley, Martha Baxley, Baxley Corporation, LLC and Baxley Leasing, LLC.
5. I have evaluated the books, bank statements, and records of the businesses related to this case.
6. In reviewing the books of Baxley Leasing, Baxley Corporation is the only client and sole source of income of Baxley Leasing.
7. Baxley Corporation pays insurance, gasoline, maintenance and repairs, and license expenses of equipment owned by Baxley Leasing.
8. Baxley Corporation pays to Baxley Leasing the finance costs and leasing costs of equipment owned or leased by Baxley Leasing. Baxley Leasing pays for the finance and lease payments of equipment, and a monthly \$5,000 distribution to Martha Baxley, including large expenditures for more equipment.
9. Brandon Baxley was not paid a salary from Baxley Leasing.
10. Baxley Corporation has made payments to Baxley Leasing to allow Baxley Leasing to pay for additional equipment without financing.
11. Baxley Leasing and Baxley Corporation have no written leases between them and no definite lease terms.
12. Baxley Corporation does not pay market lease rates for equipment provided by Baxley Leasing.
13. Funds were frequently transferred between Baxley Corporation and Baxley Leasing as "loans" without promissory notes or defined terms.
14. In some records received in this examination, Baxley Corporation would lease equipment from third parties, but the invoice was under the name of Baxley Leasing.
15. In June of 2020, Baxley Leasing applied for and later received a Paycheck Protection Program (PPP) loan from the government. The loan package contained payroll tax

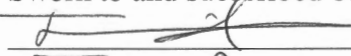
forms claiming Martha Baxley and other Baxley Corporation employees as employees of Baxley Leasing from January 1, 2020, to March 31, 2020. The application stated that Baxley Leasing had four employees with an average monthly payroll expense of \$15,583. Baxley Leasing did not have any employees during that period. Martha Baxley's 2020 personal income tax return does not report any employee wages from Baxley Leasing. Nor does Baxley Leasing report any wages on its business tax return as reported on Martha Baxley's 2020 Form 1040, Schedule C. Your affiant has reviewed the books and records of Baxley Leasing and does not see any evidence of wages paid during that time period.

16. For this PPP loan, Brandon Baxley's business email address ([brandon@baxleycorp.com](mailto:brandon@baxleycorp.com)) was the point of contact, with Martha Baxley's digital signature. In June of 2020, the proceeds of the PPP loan totaling \$38,957 was paid into Baxley Leasing's business bank account. However, once the funds were received, approximately \$41,000 was transferred to Baxley Corporation soon thereafter. Baxley Corporation used those proceeds to pay \$10,000 to the company credit card, pay for Baxley Corporation payroll expenses, and to increase the Baxley Corporation bank balance. In essence, Baxley Leasing used funding from the PPP loan to pay Baxley Corporation's expenses.
17. Another PPP loan was requested by Baxley Leasing in March of 2021, Brandon Baxley's business email address was the point of contact for this loan. As stated previously, Brandon Baxley was not an employee at Baxley Leasing. Your affiant is not aware of the disposition of this second loan request.
18. In July 2021, Baxley Leasing requested forgiveness for the PPP loan of \$38,957 that was received from the June 2020 PPP application. This application for the loan forgiveness reiterated that Baxley Leasing continued to have four employees and paid them wages in excess of \$25,020 during the forgiveness period. Your affiant has not seen any evidence of these reported wages. This application by Baxley Leasing also had Brandon Baxley's business email address as the point of contact.

Further the affiant sayeth not.

  
Robert Nordlander

Sworn to and subscribed before me this 8 day of March, 2022.

  
Taylor Parrish, Notary Public  
My commission expires: 08/02/2026

TAYLOR PARRISH  
Notary Public, North Carolina  
Guilford County  
My Commission Expires  
August 02, 2026